OFFICE OF THE GENERAL COUNSEL
DIVISION OF OPERATIONS-MANAGEMENT

MEMORANDUM OM 96-30 **April 15, 1996**

TO : All Regional Directors, Officers-in-Charge, and Resident Officers

FROM : B. Allan Benson, Acting Associate General Counsel

SUBJECT: Space Reduction Planning

As you know, the FY 1996 appropriations picture for the Agency has been anything but certain. Indeed, over the last almost 6 months we have been funded at levels substantially below our FY 1995 funding level. The initial FY 1996 continuing resolution (CR) funded us at 10 percent below our 1995 funding level. With each CR thereafter we have been funded with OMB's approval at or about a 5 percent reduction below the 1995 funding level in order to avoid furloughs. We have been fortunate that each of the CRs have provided us with the ability to avoid any furlough days, or worse, up to this point.

It still appears likely that our funding this fiscal year will be at 5 percent below our 1995 funding level, however, there remains some uncertainty. That level of funding would not mean that our budgetary difficulties for this year are behind us. To the contrary, our cumulative expenditures to date appear to be slightly more than the 95 percent funding level would allow. Further, we have cut necessary expenses, such as casehandling travel, below acceptable levels and we need to improve that situation to the extent possible. We cannot rely on attrition to save money since we are already too low and we need to stabilize our staffing levels.

We have to find areas of savings to insure we can continue to function this fiscal year without implementation of a furlough or face other adverse effects on our programs or our employees. We cannot presume that we will not face budgetary uncertainty in FY 1997 and beyond. We must continue to pursue the many cost saving initiatives we have implemented since last October and which are highlighted in the Strategic Plan which was submitted to the Congress. We must also develop a realistic plan to reverse the more unacceptable stop-gap initiatives we were forced to implement this year that have hit our operational programs and our employees hard.

A significant area of potential savings to allow us to avoid furloughs and mitigate the emergency stop-gap measures of the first 6 months of this year is the reduction in space rental costs. As your recent review of space plans and needs show, it is clear that as a result of our staff reductions since the 1980s, we have developed excess space situations in many of our offices. In some situations, the elimination of that space will realize immediate significant savings and in others it may not. James H. Sunderlin, Chief, Procurement and Facilities Branch, and his staff are first looking at those offices where a configuration may be possible which results in space rental costs savings this fiscal year and in the future.[1] The release of excess space in such situations may provide the Agency with savings this fiscal year and in the future. At least one such situation has already occurred in the Newark Regional Office and others are in the pipeline. Following Procurement's referral of a space reduction floor plan to release approximately 1670 square feet of vacant office space with virtually no reconstruction cost, Regional management and Local 22 representatives agreed to quickly release the space. The release of that space has already occurred, and the Agency should realize more than $17,000 in savings this fiscal year and more than $44,000 in FY 1997. It is that level of cooperation and understanding of our budgetary situation which will pull us through these difficult times and, indeed, in the future. I ask all of you for your assistance and ongoing cooperation in this important endeavor.

If you have any questions regarding this memorandum, please contact me or your Assistant General Counsel.

B. A. B.

cc: NLRBU

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[1] In the second phase of its space reduction efforts, Procurement will be reviewing the release of excess office space in those offices where renovation costs will be higher. Phase II will be timed to start with the beginning of FY 1997, so that the necessary renovation costs can be absorbed throughout the year.